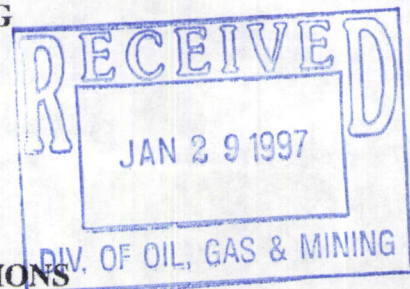


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/96 To (mo./yr.) 12/96
 2. DOGM File Number (Mine No): S / 27 / 056
 3. Mine Name: MILLER COVE / SPLIT ROCK / BRITE LITE 718 / KENTS PROPHECY
 4. Mineral(s) Mined (or permitted to mine): PRECIOUS METALS
 5. Type of mine ☒ Surface Mine or ☐ Underground Mine
 6. Legal Description (Location of Lands Affected):
SE 1/4, NE 1/4, Section 11, Township 19S, Range 14W
SE 1/4, SE 1/4, Section 12, Township 19S, Range 14W
1/4, 1/4, Section, Township, Range
 7. Name of Operator or Company: NIELSON MINING
 8. Permanent Street Address: 3900 S. REDWING ST
City, State, Zip: WEST VALLEY, UTAH 84119-4521
Phone: HOME 801-969-1863, CELL 801-599-6773
 9. Company Representative (or designated operator):
Name: MARION K. NIELSON
Title: PARTNER
Business Address: 3900 S. REDWING ST
City, State, Zip: WEST VALLEY, UTAH 84119-4521
Phone: HOME 801-969-1863, CELL 801-599-6773
- ☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? APPROX 2301bs OF UNPROCESSED CONCENTRATES

3. How much additional acreage was disturbed during the past year? LESS THAN 1 ACRE
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.
A SURFACE AREA OF APPROX 50' X 100' WAS CLEARED OF
BRUSH. REMOVAL OF APPROX 100 YDS OF MATERIAL WAS
STORED AND/OR PROCESSED.
5. How much acreage was reclaimed during the past year? LESS THAN 1/4 ACRE.
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
SOME TEST DIGGINGS WERE DONE WITH THE BACKHOE, ALL OF
WHICH WERE COVERED. THE AREA DESCRIBED IN PARA. 4 WAS
LEFT AS IS BECAUSE THE AREA IS PLANNED FOR MINING
DURING 1997.
7. What is the total disturbed acreage at years end? LESS THAN 1 ACRE
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.
WE ARE IN THE PROCESS OF OBTAINING WATER RIGHTS AND/OR
PERMISSION. ONCE THE WATER IS OBTAINED WE WILL PROCESS THE
NECESSARY REQUESTS FOR RESERVOIRING AND WATER USAGE. WATER
PROCESSING WILL THEN BE UTILIZED IN THE AREA DESCRIBED IN PARA 4.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print)

MARION K. NIELSON

Title of Operator:

PARTNER

Signature of Operator

Marion K. Nielson

Date:

JAN 27, 1997